



FOR IMMEDIATE RELEASE:
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FACT SHEET

MAYOR SANDERS ANNOUNCES CITY'S PLAN TO SELL 22 SURPLUS REAL ESTATE ASSETS WORTH IN EXCESS OF \$30 MILLION

Move is Major First Step in Mayor's Plan to Sell Under-utilized Surplus City Properties

Mayor Jerry Sanders today announced the City's plan to sell 22 surplus, under-utilized real estate assets estimated to generate in excess of \$30 million dollars during Fiscal Year 2008. This is a major first step in the Mayor's five-year plan to raise \$100 million through the sale of underperforming surplus properties owned by the City.

It is also a sign of the continuing success of the City's Real Estate Assets Department's (READ) portfolio management efforts which include analyzing the City's real estate holdings to maximize the value of the City's portfolio.

PORTFOLIO MANAGEMENT: SALE OF SURPLUS PROPERTIES

A key element of READ's overall portfolio management plan is to catalogue the City's property assets to determine which properties are surplus and can be offered for sale.

Surplus real properties are those that are not needed for municipal use in the foreseeable future or do not benefit the City's core functions

The sale of City properties will:

- Provide revenue for the capital improvement fund
- Relieve the City of potential liabilities and maintenance costs
- Generate ancillary income by returning these properties to the tax rolls
- Stimulate the economy by providing opportunities for private sector development

MAYOR'S FIVE-YEAR PLAN TO RAISE \$100 MILLION

- The goal is to raise \$100 million over the next five years through the sale of surplus real estate.
- The total value of the properties in the first group is estimated to be in excess of \$30 million.
- The first group of 22 properties to be sold has been identified and is listed on page 3.
- Properties to be sold will be made available to other government agencies for 60 days as prescribed by state law.
- All properties will be appraised prior to being placed on the market.

A NEW, STREAMLINED SALE PROCESS

To streamline the selling process, the Mayor will propose to the City Council that the process to sell City real estate assets be changed as follows:

- Properties will be presented to Council for approval to be sold at a pre-approved price established by a current appraisal.
- Transactions that meet or exceed the pre-approved price can be closed without further Council action.
- If a sale is proposed at a price less than the appraised value, the transaction will be brought back to Council for approval.
- In order to maximize the value of property, the City will list the properties with brokerage companies rather than following the current practice of selling property by auction. Brokers will help the City set market prices. This will be done to increase the pool of potential buyers which will generate more offers.
- This revised process is consistent with the best practices of private sector companies and has the following advantages of the City's current practices:
 - Listing the properties will increase their exposure to the marketplace
 - More buyers will participate because they will know that once their offer is accepted, they will not run the risk of having their transaction disapproved by Council. This reduction of risk will generate more aggressive offers from more credible buyers.

COUNCIL POLICY AND MUNICIPAL CODE UNAFFECTED

- By Council Policy and Municipal Code, every property intended for sale must be taken to Council for direction on how the property will be sold.
- Because all questions regarding the right to sell and the manner of sale will be predetermined by an enabling resolution, no conflict exists between the Code and Council Policy.
- Therefore, a formal policy change is not required to implement this new process.

LIST OF SURPLUS PROPERTIES FOR SALE

NAME OF PROPERTY	ADDRESS	TYPE OF PROPERTY	ESTIMATED SQ. FEET
World Trade Center	1256 Sixth Avenue	high rise office	127,900
Crabtree Building	303 A Street	office building	30,000
Nautilus	801 Nautilus St.	SFR-residential	47,916
Genoa	5690 Genoa Dr.	SFR-residential	13,068
Fay Avenue	7021 Fay Avenue	duplex-residential	30,000
Beaumont	6216 Beaumont	SFR-residential	9,147
Jamacha	7629 Jamacha Blvd	SFR-residential	18,164
33 rd Street	904 33 rd St.	SFR-residential	6,969
Maple Street	505 W. Maple St.	4-plex-residential	12,632
Otsego & Brooke	Otsego Dr.	vacant-residential	11,325
Langley Street	327 Langley St	vacant-residential	6,098
Bonair Way	Bonair Way	vacant-residential	8,000
Penske Lot	Camino Del Rio S.	vacant-commercial	11,412
Desert View	5635 Desert View Dr.	vacant-residential	31,798
UTC Child Care site	9514 Towne Ctr. Dr.	vacant –commercial	85,377
Lamp Plus Site	W. Morena Blvd.	vacant-commercial	11,929
US Border Patrol	I-5/Border	bldg-commercial	58,370
SE Jamacha Road	Jamacha & Cardiff	vacant-commercial	25,000
Kearny Mesa Road	Kearny Mesa Road	vacant-commercial	32,324
Armstrong	Morena Boulevard	vacant-commercial	47,916
Terminx lease		ground lease	
Filippi lease		ground lease	

PROPERTY TYPE BREAKDOWN

- 5 single-family residences
- 2 multi-family residences
- 4 residential lots
- 6 commercial lots
- 2 office buildings
- 1 commercial building
- 2 ground leases